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**Morocco**

**Citrus**

**Annual**

**2001**

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**Report Highlights:**

**Due to the alternate bearing nature, Morocco's citrus production is expected to increase about one fifth compared to last year's historically low level. However, The prevailing drought is expected to have negative impact on fruit size and is also threatening the existence of citrus orchards in the southern part of Morocco. Processing is expected to remain down as the major processor is unable to offer competitive prices.**

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Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Rabat [MO1], MO

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## Production

Morocco's citrus production in 2001/2002 is expected to increase by about one fifth to a more normal level compared to last year's historically low production. This year citrus production (2001/2002) is estimated at 1.19 MMT. Alternate bearing nature of the citrus fruit combined with relatively adequate weather conditions during fruit setting period and more moderate temperatures during the summer time caused the number of fruit on the trees to increase significantly this year. Most of the increase in production is expected to come from the small citrus fruit (tangerine-like) especially in the Souss (vicinity of Agadir) . However, the lack of rainfall and adequate water supply during October- November 2001 is likely to prevent the early maturing fruit from fully finishing their growth and result in higher proportion of smaller fruits less suitable for exports.

The drought that has been prevailing in Morocco for over three consecutive years dampened this year's increase in production and is expected to affect negatively the fruit size. More importantly, the drought is threatening the existence of the citrus orchards especially in the Souss area where, in addition to the water table being constantly drawn down, the water reserves in the dam have not been replenished for over three consecutive years. If the drought continues, the GOM will be forced to restrict water use from the dam for agriculture even further, which would jeopardize the future of many citrus orchards. Meanwhile, the prevailing drought will continue to discourage farmers from establishing or renewing orchards in spite of the incentives announced by the government last year (see MO0028 ).

**Morocco's production and export forecast**

| Varieties                 | PRODUCTION <sup>(1)</sup> |                  | EXPORT <sup>(2)</sup> |                  |
|---------------------------|---------------------------|------------------|-----------------------|------------------|
|                           | 2000                      | 2001<br>Forecast | 2000                  | 2001<br>Forecast |
| <b>Small Citrus Fruit</b> | <b>221,750</b>            | <b>400,000</b>   | <b>123,984</b>        | <b>230,000</b>   |
| - Clementines             | 174,500                   | 308,000          | 95,389                | 165,000          |
| - Nour                    | 18,950                    | 54,000           | 14,580                | 42,000           |
| - Ortanique               | 28,300                    | 38,000           | 14,015                | 23,000           |
| <b>Oranges</b>            | <b>693,850</b>            | <b>725,000</b>   | <b>254,317</b>        | <b>300,000</b>   |
| - Navels                  | 182,000                   | 226,000          | 18,990                | 45,000           |
| - Salutiana               | 33,600                    | 43,000           | 20,366                | 28,000           |
| - Bloody Oranges          | 46,250                    | 45,000           | 24,728                | 24,000           |
| - Maroc Late              | 432,000                   | 411,000          | 190,233               | 203,000          |
| <b>Others</b>             | <b>63,000</b>             | <b>65,000</b>    | <b>12,205</b>         | <b>15,000</b>    |
| <b>Total Citrus</b>       | <b>978,600</b>            | <b>1,190,000</b> | <b>390,506</b>        | <b>545,000</b>   |

Source: Producer Association, ASPAM and Export Quality Control Office (EACCE) (adapted)

- Note
- 1) Production estimates are from the Producers Association, ASPAM. Estimates have been more accurate for the early production varieties as the weather during the coming months might affect considerably estimates for late varieties (especially Maroc-Late). The "Others" category includes lemons, minor small citrus varieties and oranges varieties for which breakdown per variety is not readily available.
  - 2) Trade Figures: Data are from the EACCE office. They may differ from the official figures (used in PS&D tables) but are more timely and thus used as first estimates.

## Trade

Moroccan fresh citrus exports are expected to increase considerably in 2001/2002 reflecting the higher local production but also the anticipated higher demand in the export market. Morocco devaluated its currency last April by about 5 percent which should help make prices of Moroccan fresh citrus more competitive. On the other hand, some exporters expressed concern that following the September 11 events in the US, insurance fees might inflate the CIF price for Moroccan fruits and contribute to lowering their price competitiveness.

Most of the increase in export is expected to come from the small citrus fruit (tangerine-like) whose production bounced up significantly this year especially in the Souss. Export forecast for late oranges (Maroc-Late Variety) are subject to change depending on weather conditions during the next few months.

Exports are expected to continue to be geared toward the EU because of the high return from exports to this market but also because of the preferential access given to Moroccan citrus fruit Morocco under the Morocco-EU Free Trade Agreement (see MO0028). The traditional EU market is expected to account for most of the increase in export this year because Morocco will not likely fill up its EU export quota subject to preferential tariffs.

Meanwhile, sources indicated that the Moroccan fresh citrus exporters will be devoting more efforts to secure non-EU markets by providing higher and more consistent quality fruit. The non-EU markets, commonly known in Morocco as "Contract Markets", include Russia, Lithuania, Saudi Arabia, and Canada and account each year for 35-46 percent of Morocco's fresh citrus exports. For these markets, each year, arrangements are made between importers and Moroccan exporters to ship agreed-upon quantities and quality of fruits. The Eastern-European markets in particular have been generally buying lower quality, cheaper fruit that are less suitable for the EU market.

Note regarding Trace Matrices: Final official trade figures for 2000/2001 are available only for small citrus fruit whose export season ends early (February). Final export figures for oranges and processed oranges are not yet published for 2000/2001.

## Processed Citrus

Citrus processing is likely to remain low during 2001/2002 with no small citrus fruit being processed. First estimates indicate that about 50,000 MT of oranges will be processed next year by FRUMAT. This is a slight increase compared to last year but represents only 15 percent of FRUMAT's nominal capacity. FRUMAT, owned partly by the local citrus producers, continues to be, by far, the major citrus processor and the sole citrus concentrate producer in Morocco.

Fresh citrus processing went down considerably last year (2000/2001) to 38,000 MT reflecting the short supply and high prices of fresh fruit in the local market. Normally, processing is considered by citrus producers as the least desirable outlet after the export and the local fresh markets. The fragile financial situation of FRUMAT forces it to buy fresh citrus from farmers at a considerably lower price (about 700 dirhams per MT (\$62/MT)). Therefore, unless the citrus harvest is exceptionally good and prices of the local market drop significantly, the option of delivering to FRUMAT will remain less appealing to Moroccan citrus producers. Sources indicated

that some local citrus producers are making more money by exporting their production of lower quality fruit to Spanish citrus processors.

Recently, FRUMAT sold one of its two leading citrus juice brands (*Miami*) to the local Coca-Cola company. This might help FRUMAT alleviate some financial problems and should result in a more aggressive promotion of the *Miami* brand by Coca-Cola. Since the *Miami* brand is only 50 percent juice, it will likely not change dramatically the use of juice in Morocco in the short term. Meanwhile, FRUMAT will continue to depend heavily on the export market of citrus concentrate, especially to the EU where Moroccan processed citrus enjoys some preferential access under the Morocco-EU Free Trade Agreement (see MO0028).

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|                        |               |         |             |         |                                 |         |
|------------------------|---------------|---------|-------------|---------|---------------------------------|---------|
| PSD Table              |               |         |             |         |                                 |         |
| Country                | Morocco       |         |             |         |                                 |         |
| Commodity              | Fresh Oranges |         |             |         | (HECTARES)(1000 TREES)(1000 MT) |         |
|                        | Revised       | 1999    | Preliminary | 2000    | Forecast                        | 2001    |
|                        | Old           | New     | Old         | New     | Old                             | New     |
| Market Year Begin      |               | 10/1999 |             | 10/2000 |                                 | 10/2001 |
| Area Planted           | 49            | 49      | 49          | 49      | 0                               | 49      |
| Area Harvested         | 48            | 48      | 48          | 48      | 0                               | 48      |
| Bearing Trees          | 15900         | 15900   | 15900       | 15900   | 0                               | 15900   |
| Non-Bearing Trees      | 200           | 200     | 200         | 200     | 0                               | 200     |
| TOTAL No. Of Trees     | 16100         | 16100   | 16100       | 16100   | 0                               | 16100   |
| Production             | 845           | 845     | 767         | 693     | 0                               | 725     |
| Imports                | 0             | 0       | 0           | 0       | 0                               | 0       |
| TOTAL SUPPLY           | 845           | 845     | 767         | 693     | 0                               | 725     |
| Exports                | 297           | 298     | 255         | 240     | 0                               | 300     |
| Fresh Dom. Consumption | 418           | 417     | 432         | 415     | 0                               | 375     |
| Processing             | 130           | 130     | 80          | 38      | 0                               | 50      |
| TOTAL DISTRIBUTION     | 845           | 845     | 767         | 693     | 0                               | 725     |

| Export Trade Matrix - Morocco - Fresh Oranges |              |        |             |
|---|--------------|--------|-------------|
| Time period                                   | MY Oct./Sep. | Units: | Metric tons |
| Exports for:                                  | 1999         |        | 2000        |
| U.S.  | 57           | U.S.   | 0           |
| Others  |              | Others |             |
| Russia  | 120784       |        |             |
| France  | 43057        |        |             |
| Netherlands                                   | 23474        |        |             |
| Great Britain                                 | 32175        |        |             |
| Belgium                                       | 23082        |        |             |
| Lithuania                                     | 13213        |        |             |
| Germany                                       | 20652        |        |             |
| Finland                                       | 6043         |        |             |
| Spain   | 1241         |        |             |
| Portugal                                      | 910          |        |             |
| Total for Others                              | 284631       |        | 0           |
| Others not Listed                             | 12862        |        |             |
| Grand Total                                   | 297550       |        | 0           |

|                        |                  |         |             |         |                                 |         |
|------------------------|------------------|---------|-------------|---------|---------------------------------|---------|
| PSD Table              |                  |         |             |         |                                 |         |
| Country                | Morocco          |         |             |         |                                 |         |
| Commodity              | Fresh Tangerines |         |             |         | (HECTARES)(1000 TREES)(1000 MT) |         |
|                        | Revised          | 1999    | Preliminary | 2000    | Forecast                        | 2001    |
|                        | Old              | New     | Old         | New     | Old                             | New     |
| Market Year Begin      |                  | 10/1999 |             | 10/2000 |                                 | 10/2001 |
| Area Planted           | 21               | 21      | 21          | 21      | 0                               | 21      |
| Area Harvested         | 20               | 20      | 20          | 20      | 0                               | 20      |
| Bearing Trees          | 6700             | 6700    | 6700        | 6700    | 0                               | 6700    |
| Non-Bearing Trees      | 150              | 150     | 150         | 150     | 0                               | 150     |
| TOTAL No. Of Trees     | 6850             | 6850    | 6850        | 6850    | 0                               | 6850    |
| Production             | 511              | 511     | 275         | 222     | 0                               | 400     |
| Imports                | 0                | 0       | 0           | 0       | 0                               | 0       |
| TOTAL SUPPLY           | 511              | 511     | 275         | 222     | 0                               | 400     |
| Exports                | 271              | 272     | 136         | 99      | 0                               | 200     |
| Fresh Dom. Consumption | 230              | 229     | 139         | 123     | 0                               | 200     |
| Processing             | 10               | 10      | 0           | 0       | 0                               | 0       |
| TOTAL DISTRIBUTION     | 511              | 511     | 275         | 222     | 0                               | 400     |

| Export Trade Matrix - Morocco - Fresh Tangerines |              |               |             |
|--|--------------|---------------|-------------|
| Time period                                      | MY Oct./Sep. | Units:        | Metric Tons |
| Exports for:                                     | 1999         |               | 2000        |
| U.S.   | 2330         | U.S.          | 634         |
| Others   |              | Others        |             |
| France   | 68690        | France        | 22280       |
| Canada   | 36933        | Canada        | 20191       |
| Russia   | 48385        | Russia        | 13826       |
| Netherlands                                      | 24937        | Netherlands   | 7241        |
| Great Britain                                    | 11635        | Great Britain | 6522        |
| Saudi Arabia                                     | 9137         | Saudi Arabia  | 5437        |
| Sweden   | 9350         | Sweden        | 4364        |
| Poland   | 9350         | Poland        | 4364        |
| Germany  | 13121        | Germany       | 3324        |
| Lithuania  | 3281         | Lithuania     | 3321        |
| Total for Others                                 | 234819       |               | 90870       |
| Others not Listed                                | 34601        |               | 7599        |
| Grand Total                                      | 271750       |               | 99103       |

|                        |                    |         |             |         |                                 |         |
|------------------------|--------------------|---------|-------------|---------|---------------------------------|---------|
| PSD Table              |                    |         |             |         |                                 |         |
| Country                | Morocco            |         |             |         |                                 |         |
| Commodity              | Fresh Citrus,Other |         |             |         | (HECTARES)(1000 TREES)(1000 MT) |         |
|                        | Revised            | 1999    | Preliminary | 2000    | Forecast                        | 2001    |
|                        | Old                | New     | Old         | New     | Old                             | New     |
| Market Year Begin      |                    | 10/1999 |             | 10/2000 |                                 | 10/2001 |
| Area Planted           | 5                  | 5       | 5           | 5       | 0                               | 5       |
| Area Harvested         | 5                  | 5       | 5           | 5       | 0                               | 5       |
| Bearing Trees          | 1200               | 1200    | 1200        | 1200    | 0                               | 1200    |
| Non-Bearing Trees      | 15                 | 15      | 15          | 15      | 0                               | 15      |
| TOTAL No. Of Trees     | 1215               | 1215    | 1215        | 1215    | 0                               | 1215    |
| Production             | 10                 | 10      | 10          | 10      | 0                               | 10      |
| Imports                | 0                  | 0       | 0           | 0       | 0                               | 0       |
| TOTAL SUPPLY           | 10                 | 10      | 10          | 10      | 0                               | 10      |
| Exports                | 0                  | 0       | 0           | 0       | 0                               | 0       |
| Fresh Dom. Consumption | 10                 | 10      | 10          | 10      | 0                               | 10      |
| Processing             | 0                  | 0       | 0           | 0       | 0                               | 0       |
| TOTAL DISTRIBUTION     | 10                 | 10      | 10          | 10      | 0                               | 10      |
| PSD Table              |                    |         |             |         |                                 |         |
| Country                | Morocco            |         |             |         |                                 |         |
| Commodity              | Fresh Lemons       |         |             |         | (HECTARES)(1000 TREES)(1000 MT) |         |
|                        | Revised            | 1999    | Preliminary | 2000    | Forecast                        | 2001    |
|                        | Old                | New     | Old         | New     | Old                             | New     |
| Market Year Begin      |                    | 10/1999 |             | 10/2000 |                                 | 10/2001 |
| Area Planted           | 1                  | 1       | 1           | 1       | 0                               | 1       |
| Area Harvested         | 1                  | 1       | 1           | 1       | 0                               | 1       |
| Bearing Trees          | 280                | 280     | 280         | 280     | 0                               | 280     |
| Non-Bearing Trees      | 10                 | 10      | 10          | 10      | 0                               | 10      |
| TOTAL No. Of Trees     | 290                | 290     | 290         | 290     | 0                               | 290     |
| Production             | 20                 | 20      | 20          | 20      | 0                               | 20      |
| Imports                | 0                  | 0       | 0           | 0       | 0                               | 0       |
| TOTAL SUPPLY           | 20                 | 20      | 20          | 20      | 0                               | 20      |
| Exports                | 0                  | 0       | 0           | 0       | 0                               | 0       |
| Fresh Dom. Consumption | 20                 | 20      | 20          | 20      | 0                               | 20      |
| Processing             | 0                  | 0       | 0           | 0       | 0                               | 0       |
| TOTAL DISTRIBUTION     | 20                 | 20      | 20          | 20      | 0                               | 20      |



|                      |               |         |             |                |          |         |
|----------------------|---------------|---------|-------------|----------------|----------|---------|
| PSD Table            |               |         |             |                |          |         |
| Country              | Morocco       |         |             | 65Degrees Brix |          |         |
| Commodity            | Juice, Orange |         |             |                | (MT)     |         |
|                      | Revised       | 1999    | Preliminary | 2000           | Forecast | 2001    |
|                      | Old           | New     | Old         | New            | Old      | New     |
| Market Year Begin    |               | 10/1999 |             | 10/2000        |          | 10/2001 |
| Deliv. To Processors | 130           | 130     | 80          | 38             | 0        | 50      |
| Beginning Stocks     | 3384          | 3384    | 2684        | 2855           | 1110     | 155     |
| Production           | 10400         | 13800   | 8500        | 4000           | 0        | 5200    |
| Imports              | 400           | 283     | 126         | 400            | 0        | 500     |
| TOTAL SUPPLY         | 14184         | 17467   | 11310       | 7255           | 1110     | 5855    |
| Exports              | 9500          | 12612   | 8000        | 4800           | 0        | 3400    |
| Domestic Consumption | 2000          | 2000    | 2200        | 2300           | 0        | 2300    |
| Ending Stocks        | 2684          | 2855    | 1110        | 155            | 0        | 155     |
| TOTAL DISTRIBUTION   | 14184         | 17467   | 11310       | 7255           | 0        | 5855    |

**Export Trade Matrix - Morocco - Juice Orange**

|                   |              |        |      |
|-------------------|--------------|--------|------|
| Time period       | My Oct./Sep. | Units: | MT   |
| Exports for:      | 1999         |        | 2000 |
| U.S.              | 0            | U.S.   |      |
| Others            |              | Others |      |
| France            | 7851         |        |      |
| Germany           | 2915         |        |      |
| Great Britain     | 624          |        |      |
| Spain             | 528          |        |      |
| Tunisia           | 318          |        |      |
| Netherlands       | 213          |        |      |
| Gabon             | 57           |        |      |
| Total for Others  | 12506        |        | 0    |
| Others not Listed | 106          |        |      |
| Grand Total       | 12612        |        | 0    |

| <b>Import Trade Matrix - Morocco - Juice, Orange</b> |              |        |      |
|--|--------------|--------|------|
| Time period  | My Oct./Sep. | Units: |      |
| Imports for:   | 1999         |        | 2000 |
| U.S.   | 0            | U.S.   |      |
| Others   |              | Others |      |
| Cuba   | 180          |        |      |
| Netherlands  | 36           |        |      |
| Germany  | 21           |        |      |
| France   | 14           |        |      |
| Total for Others                                     | 251          |        | 0    |
| Others not Listed                                    | 32           |        |      |
| Grand Total  | 283          |        | 0    |